

# FUND STATEMENT

## Fund Type G10, Special Revenue Funds

## Fund 112, Energy/Resource Recovery Facility (E/RRF)

	FY 2005 Actual	FY 2006 Adopted Budget Plan	FY 2006 Revised Budget Plan	FY 2006 Third Quarter Estimate	Increase (Decrease) (Col. 5-4)
<b>Beginning Balance</b>	<b>\$16,437,760</b>	<b>\$18,819,065</b>	<b>\$19,860,693</b>	<b>\$19,860,693</b>	<b>\$0</b>
Revenue:					
Disposal Revenue:					
County of Fairfax <sup>1</sup>	\$29,280,793	\$30,429,201	\$30,429,201	\$32,932,008	\$2,502,807
District of Columbia <sup>2</sup>	216,550	1,815,000	1,815,000	185,057	(1,629,943)
Waste Exchange Agreement <sup>3</sup>	1,846,435	1,821,369	1,821,369	1,609,740	(211,629)
Wastewater Services <sup>4</sup>	93,548	111,600	111,600	101,178	(10,422)
Non-Fairfax Waste <sup>5</sup>	1,359,063	1,785,960	1,785,960	1,263,787	(522,173)
Supplemental Waste <sup>6</sup>	67,016	194,760	194,760	66,120	(128,640)
Subtotal Revenue	\$32,863,405	\$36,157,890	\$36,157,890	\$36,157,890	\$0
Other Revenue:					
Interest on Investments	\$298,990	\$286,705	\$286,705	\$656,415	\$369,710
Miscellaneous <sup>7</sup>	145,984	100,000	100,000	100,000	0
Subtotal Other Revenue	\$444,974	\$386,705	\$386,705	\$756,415	\$369,710
Total Revenue	\$33,308,379	\$36,544,595	\$36,544,595	\$36,914,305	\$369,710
Transfers In:					
General Fund (001) <sup>8</sup>	\$2,014,489	\$0	\$1,578,057	\$1,578,057	\$0
Total Transfers In	\$2,014,489	\$0	\$1,578,057	\$1,578,057	\$0
<b>Total Available</b>	<b>\$51,760,628</b>	<b>\$55,363,660</b>	<b>\$57,983,345</b>	<b>\$58,353,055</b>	<b>\$369,710</b>
Expenditures:					
Personnel Services	\$507,043	\$631,030	\$631,030	\$631,030	\$0
Operating Expenses <sup>9</sup>	31,379,242	35,783,638	35,883,674	37,505,189	1,621,515
Capital Equipment	13,650	0	0	0	0
Total Expenditures	\$31,899,935	\$36,414,668	\$36,514,704	\$38,136,219	\$1,621,515
<b>Total Disbursements</b>	<b>\$31,899,935</b>	<b>\$36,414,668</b>	<b>\$36,514,704</b>	<b>\$38,136,219</b>	<b>\$1,621,515</b>
<b>Ending Balance</b>	<b>\$19,860,693</b>	<b>\$18,948,992</b>	<b>\$21,468,641</b>	<b>\$20,216,836</b>	<b>(\$1,251,805)</b>
Tipping Fee Reserve	\$1,500,000	\$1,500,000	\$1,500,000	\$1,000,000	(\$500,000)
Rate Stabilization Reserve <sup>10</sup>	12,893,756	11,720,769	14,240,418	\$13,488,613	(751,805)
Operations and Maintenance Reserve <sup>11</sup>	5,466,937	5,728,223	5,728,223	5,728,223	0
<b>Unreserved Ending Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Disposal Rate/Ton	\$32/ton	\$33/ton	\$33/ton	\$33/ton	\$0

<sup>1</sup> The fee for the I-95 Energy/Resource Recovery Facility was \$32 per ton in FY 2005 and is \$33 per ton in FY 2006.

<sup>2</sup> Based upon an anticipated purchase order with the District of Columbia government for residential waste only.

<sup>3</sup> Prince William County waste is received at the E/RRF as a result of the Interjurisdictional Solid Waste Facility Use Agreement.

<sup>4</sup> Wastewater Services includes the disposal of grit and screenings and other wastewater-related material from the Alexandria Sanitation Authority (ASA).

<sup>5</sup> Non-Fairfax Waste is waste from other jurisdictions that is disposed by haulers with contracts with the County. In order to account for revenues in the proper fund, an audit adjustment of \$205,758.78 has been reflected as an increase to FY 2005 revenues. This audit adjustment has been included in the FY 2005 Comprehensive Annual Financial Report (CAFR). Details of the FY 2005 audit adjustment are included in the FY 2006 Third Quarter Package.

<sup>6</sup> Supplemental Waste is being tracked separately and is the basic fee to dispose of this waste. Additional fees that are paid above the basic fee are split between Covanta Fairfax, Inc. (CFI) and the County and are reflected as Miscellaneous Revenue since tip fees vary depending upon the material types and market conditions. The Supplemental program has been under review by the Virginia Department of Environmental Quality which has resulted in decreased disposal.

<sup>7</sup> Miscellaneous Revenue is generated by the excess amount that CFI charges to dispose of Supplemental Waste.

<sup>8</sup> CFI now incurs an annual tax assessment, due to the transfer of the property in July 2003 from the federal government to Fairfax County. The tax expense is considered a pass through cost by the CFI/Fairfax County contract and the General Fund will offset the tax liability by returning the amount paid by CFI to Fund 112.

<sup>9</sup> In order to account for revenues and expenditures in the proper fiscal year, an audit adjustment in the amount of \$1,009,718 has been reflected as an increase to FY 2005 expenditures to record the amount due to CFI for reimbursement of Real Estate Taxes. In addition, an audit adjustment decreasing FY 2005 expenditures by \$654,796.76 is included in order to post expenditures to the proper fund. These audit adjustments have been included in the FY 2005 Comprehensive Annual Financial Report (CAFR). Details of the FY 2005 audit adjustments are included in the FY 2006 Third Quarter Package.

<sup>10</sup> The Rate Stabilization Reserve is used to buffer against sharp increases in tip fees annually. Potentially steep increases could result from issues such as tax changes regarding energy sales, power deregulation and state or EPA environmental fees.

<sup>11</sup> The Operations and Maintenance Reserve is necessary for ongoing improvements and enhancements to the E/RRF including emissions control efforts. Future projects will include additional retrofits to the air pollution control systems. Additional reductions in nitrogen oxides are expected from regulatory authorities. The reserve will fund the initial capital expenditures of the improvement fund and absorb the associated operating and maintenance costs.